Altice International S.à r.l.

altice

Condensed Interim Consolidated Financial Statements

As of and for the three-month period ended March 31, 2022

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Interim Consolidated Statement of Income (€m)	**Notes**	**Three months ended March 31, 2022**	**Three months ended March 31, 2021**
Revenues	**4**	**1,148.4**	**1,014.5**
Purchasing and subcontracting costs	4	(298.1)	(282.3)
Other operating expenses	4	(242.6)	(196.5)
Staff costs and employee benefits	4	(163.4)	(133.4)
Depreciation, amortization and impairment	4	(305.0)	(302.1)
Other (expenses) and income	4	20.3	(244.7)
Operating profit / (loss)	**4**	**159.6**	**(144.5)**
Interest relative to gross financial debt	11	(92.7)	(90.0)
Realized and unrealized (losses) / gains on derivative instruments linked to financial debt	11	155.9	127.3
Other financial expenses	11	(92.1)	(117.7)
Finance income	11	47.9	47.5
Net result on extinguishment and remeasurement of financial liabilities	11	-	-
Finance costs, net		**19.0**	**(32.9)**
Share of earnings / (loss) of associates and joint ventures		(4.1)	(5.4)
Profit / (loss) before income tax		**174.5**	**(182.8)**
Income tax benefit / (expense)	10	(38.9)	23.9
Profit / (loss) for the period		**135.6**	**(158.9)**
Attributable to equity holders of the parent		124.7	(167.7)
Attributable to non-controlling interests		10.9	8.8

Interim Consolidated Statement of Comprehensive Income (€m)	**Three months ended March 31, 2022**	**Three months ended March 31, 2021**
Profit/(loss) for the period	**135.6**	**(158.9)**
Other comprehensive income / (loss)		
Items that may be reclassified subsequently to profit or loss		
Exchange differences on translating foreign operations	3.8	(1.0)
Cash flow hedges - effective portion of changes in fair value	-	0.3
Cash flow hedges - reclassified to profit or loss	-	1.1
Related taxes	-	(0.3)
Item that will not be reclassified subsequently to profit or loss		
Change of fair value of equity instruments at fair value through OCI	0.3	(0.4)
Actuarial gain / (loss)	49.4	18.8
Related taxes	(10.4)	(4.0)
Total other comprehensive income / (loss)	**43.1**	**14.5**
Total comprehensive income / (loss) for the period	**178.7**	**(144.4)**
Attributable to equity holders of the parent	167.5	(153.4)
Attributable to non-controlling interests	11.2	9.0

The accompanying notes on pages 6 to 22 form an integral part of these condensed interim consolidated financial statements.

Interim Consolidated Statement of Financial Position (€m)	**Notes**	**As of March 31, 2022**	**As of December 31, 2021**
Non-current assets			
Goodwill	5	3,387.9	3,345.8
Intangible assets		1,173.2	1,182.0
Property, plant & equipment		3,593.2	3,576.4
Right-of-use assets		865.5	850.4
Contract costs		124.4	118.9
Investment in associates and joint ventures		48.7	53.3
Financial assets	6	3,232.6	3,127.1
Deferred tax assets		290.5	285.2
Other non-current assets		178.2	190.9
Total non-current assets		**12,894.2**	**12,730.0**
Current assets			
Inventories		197.4	164.7
Contract assets		45.8	43.4
Trade and other receivables		1,159.1	1,168.2
Current tax assets		12.2	6.0
Financial assets	6	380.6	342.0
Cash and cash equivalents		365.7	285.2
Restricted cash		43.5	41.7
Assets classified as held for sale		9.1	12.2
Total current assets		**2,213.4**	**2,063.4**
Total assets		**15,107.6**	**14,793.4**
Equity			
Issued capital	7.1	309.3	309.3
Other reserves	7.2	(193.6)	(236.4)
Retained earnings	7	679.7	555.0
Equity attributable to equity holders of the parent		**795.4**	**627.9**
Non-controlling interests	3.3	(24.6)	(35.8)
Total equity		**770.8**	**592.1**
Non-current liabilities			
Long-term borrowings, financial liabilities and related hedging instruments	8	8,058.5	7,969.2
Other financial liabilities	8.6	976.1	971.2
Non-current lease liabilities	8.6	993.2	949.2
Provisions[1]		850.7	938.8
Deferred tax liabilities		92.5	95.3
Non-current contract liabilities		47.6	48.9
Other non-current liabilities		182.1	139.2
Total non-current liabilities		**11,200.7**	**11,111.8**
Current liabilities			
Short-term borrowings, financial liabilities and related hedging instruments	8	230.5	292.6
Other financial liabilities	8.6	524.5	552.8
Current lease liabilities	8.6	102.9	94.3
Trade and other payables		1,619.8	1,567.6
Contract liabilities		162.6	125.7
Current tax liabilities		286.5	250.1
Provisions		182.3	180.3
Other current liabilities		23.4	21.8
Liabilities directly associated with assets classified as held for sale		3.6	4.3
Total current liabilities		**3,136.1**	**3,089.5**
Total liabilities		**14,336.8**	**14,201.3**
Total equity and liabilities		**15,107.6**	**14,793.4**

1 The decrease in the non-current provisions is mainly due to the decrease in pension obligations and termination benefits for which the discount rate has increased in the first quarter of 2022.

The accompanying notes on pages 6 to 22 form an integral part of these condensed interim consolidated financial statements.

Interim Consolidated Statement of Changes in Equity (€m)	Number of shares on issue Common Shares	Share capital	Retained earnings	Currency translation reserve	Cash flow hedge reserve	Fair value through OCI reserve	Employee benefits	Total equity attributable to equity holders of the parent	Non-controlling interests	Total equity
Equity at January 1, 2022	**30,925,700,000**	**309.3**	**555.0**	**(132.8)**	**-**	**5.5**	**(109.1)**	**627.9**	**(35.8)**	**592.1**
Profit / (loss) for the period		-	124.7	-	-	-	-	**124.7**	**10.9**	**135.6**
Other comprehensive income / (loss)		-	-	3.5	-	0.3	39.0	**42.8**	**0.3**	**43.1**
Comprehensive income / (loss)		**-**	**124.7**	**3.5**	**-**	**0.3**	**39.0**	**167.5**	**11.2**	**178.7**
Transactions with non-controlling interests		-	-	-	-	-	-	-	-	-
Dividends		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
Equity at March 31, 2022	**30,925,700,000**	**309.3**	**679.7**	**(129.3)**	**-**	**5.8**	**(70.1)**	**795.4**	**(24.6)**	**770.8**

Interim Consolidated Statement of Changes in Equity (€m)	Number of shares on issue Common Shares	Share capital	Retained earnings	Currency translation reserve	Cash flow hedge reserve	Fair value through OCI reserve	Employee benefits	Total equity attributable to equity holders of the parent	Non-controlling interests	Total equity
Equity at January 1, 2021	**30,925,700,000**	**309.3**	**605.9**	**(33.1)**	**(16.8)**	**3.5**	**(112.7)**	**756.1**	**(20.1)**	**736.0**
Profit / (loss) for the period		-	(167.6)	-	-	-	-	**(167.7)**	**8.8**	**(158.9)**
Other comprehensive income / (loss)		-	-	(1.3)	1.0	(0.4)	14.9	**14.2**	**0.3**	**14.5**
Comprehensive income / (loss)		**-**	**(167.6)**	**(1.3)**	**1.0**	**(0.4)**	**14.9**	**(153.4)**	**9.0**	**(144.4)**
Transactions with non-controlling interests		-	(0.8)	-	-	-	-	**(0.8)**	-	**(0.8)**
Dividends		-	-	-	-	-	-	**-**	-	**-**
Other		-	9.1	-	-	-	-	**9.1**	-	**9.1**
Equity at March 31, 2021	**30,925,700,000**	**309.3**	**446.6**	**(34.4)**	**(15.8)**	**3.1**	**(97.8)**	**611.1**	**(11.1)**	**600.0**

The accompanying notes on pages 6 to 22 form an integral part of these condensed interim consolidated financial statements.

Interim Consolidated Statement of Cash Flows (€m)	Note	Three months ended March 31, 2022	Three months ended March 31, 2021
Profit / (loss) for the period		**135.6**	**(158.9)**
adjustments for:			
Share of (gain) / loss of associates and joint ventures		4.1	5.4
Depreciation, amortization and impairment		305.0	302.1
Other non-cash operating gains / (losses), net[1]		(31.6)	246.4
Finance costs / (income), net recognised in the statement of income	11	(19.0)	32.9
Income tax expense / (benefit) recognised in the statement of income	10	38.9	(23.9)
Pension plan liability payments		(26.4)	(22.6)
Income tax paid		(28.7)	(17.1)
Changes in working capital[2]		54.6	11.8
Net cash provided by operating activities		**432.5**	**376.1**
Payments to acquire tangible, intangible assets and contract costs	4.3.5	(224.7)	(205.8)
Proceeds from sale of tangible and intangible assets[3]		71.7	0.7
Proceeds from disposal of consolidated entities, net of cash disposals		-	(0.3)
Payments related to acquisition of interests in associates	3.2	-	(44.6)
Advances paid to group companies		-	(2.0)
Transfers from restricted cash		1.7	(0.4)
Dividend received		-	0.5
Proceeds from other investing activities		1.7	-
Net cash used in investing activities		**(149.6)**	**(251.9)**
Proceeds from issuance of debt instruments	8.2	108.5	125.0
Payments to redeem debt instruments	8.2	(161.5)	(129.5)
Payments to non-controlling interests		-	(0.8)
Proceeds related to payments made to suppliers through factoring arrangements		139.3	136.4
Payments made to factoring companies		(112.7)	(121.7)
Lease payment (principal) related to ROU		(23.8)	(24.5)
Lease payment (interest) related to ROU		(21.0)	(17.3)
Interest paid[4]		(133.5)	(142.0)
Proceeds from the monetization of swaps		-	(0.7)
Dividends paid to non-controlling interests		-	-
Other cash used by financing activities		(6.8)	(4.8)
Net cash from / (used in) financing activities		**(211.5)**	**(179.9)**
Classification of cash as held for sale		-	-
Effects of exchange rate changes on the balance of cash held in foreign currencies		9.1	3.4
Net change in cash and cash equivalents		**80.5**	**(52.3)**
Cash and cash equivalents at beginning of the period		285.2	354.0
Cash and cash equivalents at end of the period		**365.7**	**301.7**

1 Other non-cash items include allowances and writebacks for provisions and gains and losses recorded on the disposal of tangible and intangible assets. For the three months ended March 31, 2022, other non-cash items include mainly the capital gain related to the 2022 Portuguese tower transaction closed on March 31, 2022 (please refer to note 3.1). For the three months ended March 31, 2021, other non-cash items include mainly the termination employee benefit costs of €241.1 million recognised as part of the pre-retirement program for Portugal.

2 Changes in working capital relate to payments and receipts related to inventories, trade and other receivables and trade and other payables.

3 Proceeds from sale of tangible and intangible assets mainly include the proceeds from the 2022 Portuguese tower transaction closed on March 31, 2022 (please refer to note 3.1).

4 Interest paid on debt includes interest received from / paid on interest rate derivatives.

The accompanying notes on pages 6 to 22 form an integral part of these condensed interim consolidated financial statements.

1. About Altice International S.à r.l. and the Group

Altice International S.à r.l. (the "Company") is a private limited liability company ("*société à responsabilité limitée*") incorporated in Luxembourg, headquartered at 5, rue Eugène Ruppert, L-2453 Luxembourg, Grand Duchy of Luxembourg. The Company is the parent company of a consolidated group (the "Group").

The Company is a wholly-owned subsidiary of Altice Luxembourg S.A. ("Altice Luxembourg"). The controlling shareholder of Altice Luxembourg is Next Alt S.à r.l., which is itself controlled by Mr. Patrick Drahi. As of March 31, 2022, Next Alt S.à r.l. indirectly held 90.5% of the share capital of the Company.

The Group is a convergent leader in telecoms, content, media, entertainment and advertising, and operates in Portugal, Israel and the Dominican Republic. The Group also has a global presence through its online advertising business Teads.

2. Accounting policies

2.1. Basis of preparation

These condensed interim consolidated financial statements of the Group as of March 31, 2022 and for the three-month period then ended (the "condensed interim consolidated financial statements") were approved by the Board of Managers and authorized for issue on May 17, 2022.

These condensed interim consolidated financial statements are presented in millions of Euros, except as otherwise stated, and have been prepared in accordance with International Accounting Standard ("IAS") 34 *Interim Financial Reporting*. They should be read in conjunction with the annual consolidated financial statements of the Group and the notes thereto as of and for the year ended December 31, 2021 which were prepared in accordance with International Financial Reporting Standards as adopted in the European Union ("IFRS-EU") (the "annual consolidated financial statements").

The accounting policies applied for these condensed interim consolidated financial statements do not differ from those applied in the annual consolidated financial statements, except for the adoption of new standards effective as of January 1, 2022.

These condensed interim consolidated financial statements have been prepared on a going concern basis.

2.2. Application of new and revised International Financial Reporting Standards (IFRSs)

2.2.1. Standards applicable for the reporting period

The following standards have mandatory application for periods beginning on or after January 1, 2022 as described in note 1.3.2 to the annual consolidated financial statements:

- Annual Improvements to IFRS Standards 2018-2020, effective on or after January 1, 2022; and
- Reference to the Conceptual Framework (Amendments to IFRS 3), effective on or after January 1, 2022.

The application of the Annual Improvements to IFRS Standards 2018-2020 and the Reference to the Conceptual Framework (Amendments to IFRS 3) had no material impact on the amounts recognised and on the disclosures in these condensed interim consolidated financial statements.*Standards and interpretations not applicable as of reporting date*

The Group has not early adopted the following standards and interpretations, for which application is not mandatory for periods starting from January 1, 2022 and that may impact the amounts reported:

- Amendments to IFRS 10 and IAS 28 *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture,* effective date of the amendments has not yet been determined by the IASB;
- Amendments in Classification of Liabilities as Current or Non-Current (Amendments to IAS 1), effective on or after January 1, 2023;
- Amendments to IAS 1 and IFRS Practice Statement 2 titled *Disclosure of Accounting Policies,* effective on or after 1 January 2023;
- Amendments to IAS 8 *Definition of Accounting Estimates*, effective on or after January 1, 2023; and
- Amendments to IAS 12 *Deferred Tax related to Assets and Liabilities arising from a Single Transaction*, effective for annual periods beginning on or after 1 January 2023.

The Board of Managers anticipates that the application of those amendments will not have a material impact on amounts reported in respect of the Group's financial assets and financial liabilities.

2.3. Significant accounting judgments and estimates

In the application of the Group's accounting policies, the Board of Managers is required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

These key areas of judgments and estimates, as disclosed in the annual consolidated financial statements, are:

- Revenue recognition;
- Estimations of provisions for litigations;
- Measurement of post-employment benefits;
- Fair value measurement of financial instruments;
- Measurement of deferred taxes;
- Estimation of useful lives of intangible assets and property, plant and equipment;
- Impairment of goodwill and intangible assets;
- Estimation of impairment losses for contract assets and trade receivables;
- Determination of the right-of-use and lease liabilities
- Assessment of control.

As of March 31, 2022, there were no changes in the key areas of judgements and estimates.

3. Significant events

The following events occurred during the three-month period ended March 31, 2022, which impacted the scope of consolidation compared to that presented in the annual consolidated financial statements.

3.1. Acquisitions and disposals in the current period

The 2022 Portuguese tower transaction

On November 8, 2021, PT Portugal exercised its right to sell a tower business unit consisting of 102 remaining sites portfolio to Cellnex Telecom, S.A.. The transaction closed on March 31, 2022, following customary regulatory approvals. Total cash proceeds amounted to €71.4 million.

The total capital gain recorded for the three-month period ended March 31, 2022 amounted to €37.4 million, after taking into account the provisions of IFRS 16 *Leases*, with respect to sale and lease back transactions (please refer to note 4.3.2.3). Following the transaction, PT Portugal and Cellnex Telecom have entered into a Master Service Agreement ("MSA") related to the newly carved-out sites. As a consequence of the MSA, the lease liabilities increased for a total amount of €33.8 million.

3.2. Acquisitions and disposals in the prior period

IBC Acquisition Israel

On September 15, 2020, HOT Telecommunications Systems Ltd (HOT) announced that it has taken a minority stake in IBC Israel Broadband (IBC). Post-closing, HOT became an equal partner in the IBC Partnership (that holds 70% of IBC's share capital), together with Cellcom and Israel Infrastructure Fund (IIF) and HOT holds indirectly 23.3% of IBC's share capital, through an investment in the company of €44.6 million, substantially equal to the investment made by each of Cellcom and IIF. There is an agreement between IBC and HOT, under which HOT undertakes to purchase an indefeasible right, or IRU, to use IBC's fibre-optic network. There is also a service agreement between IBC and HOT, under which IBC undertakes to purchase certain services from HOT. The transaction was closed on February 11, 2021 following the regulatory and third-party approvals. Following the closing of the transaction, HOT exercises a significant influence over IBC, that is accounted for under the equity method based on the provisions of IAS 28 *Investments in Associates and Joint Ventures*.3.2.2.

3.3. Variation in non-controlling interests

Variations in non-controlling interests (€m)	Altice Technical Services	FastFiber	Other	Total
Opening balance at January 1, 2021	**(34.8)**	**26.7**	**(12.0)**	**(20.1)**
Profit / (loss) for the period	(2.2)	36.1	0.9	34.8
Other comprehensive income	1.6	(0.1)	-	1.5
Dividends	(2.5)	(45.9)	(4.1)	(52.5)
Other	0.1	-	0.4	0.5
Closing at December 31, 2021	**(37.8)**	**16.8**	**(14.8)**	**(35.8)**
Profit / (loss) for the period	(0.6)	12.2	(0.7)	10.9
Other comprehensive income	0.3	(0.1)	0.1	0.3
Closing at March 31, 2022	**(38.1)**	**28.9**	**(15.4)**	**(24.6)**

The main change in non-controlling interests ("NCI") as of March 31, 2022 was the net income attributable to the non-controlling interests for the three-month period ended March 31, 2022 of €10.9 million, mainly related to FastFiber.

4. Segment reporting

4.1. Definition of segments

Given the geographical spread of the entities within the Group, analysis by geographical area is fundamental in determining the Group's strategy and managing its different businesses. The Group's chief operating decision maker is the Board of Managers. The Board of Managers analyses the Group's results across geographies, and certain key areas by activity. The presentation of the segments here is consistent with the reporting used internally by the Board of Managers to track the Group's operational and financial performance. The businesses that the Group owns and operates do not show significant seasonality, except for the mobile residential and business services, which can show significant changes in sales at year end and at the end of the summer season (the "back to school" period). The business services are also impacted by the timing of preparation of the annual budgets of public and private sector companies. The accounting policies of the reportable segments are the same as the Group's accounting policies.

The segments that are presented are detailed below:

- **Portugal**: The Group owns Portugal Telecom ("PT Portugal"), the largest telecom operator in Portugal. PT Portugal provides fixed residential, mobile residential and business services clients using the MEO brand. This segment also includes the Altice Technical Services entities in Portugal.
- **Israel**: Fixed and mobile services are provided using the HOT telecom, HOT mobile and HOT net brands to residential and business services clients. HOT also produces award winning exclusive content that it distributes using its fixed network, as well as content application called Next and OTT services through Next Plus. This segment also includes the Altice Technical Services entity in Israel.
- **Dominican Republic**: The Group provides fixed residential, mobile residential and business services using the Altice brand. This segment also includes the Altice Technical Services entity in the Dominican Republic.
- **Teads**: Provides digital advertising solutions. Publishers use Teads' technology to create engaging video and display advertising experiences on their website and in their Apps.
- **Others**: Corporate entities are reported under "Others".

4.2. Financial Key Performance Indicators ("KPIs")

The Board of Managers has defined certain financial KPIs that are tracked and reported by each operating segment every month to the senior executives of the Company. The Board of Managers believes that these indicators offer them the best view of the operational and financial efficiency of each segment and this follows best practices in the rest of the industry, thus providing investors and other analysts a suitable base to perform their analysis of the Group's results.

The financial KPIs tracked by the Board of Managers are:

- Revenues: by segment and in terms of activity;
- Adjusted EBITDA: by segment;
- Capital expenditure (“Capex”): by segment;
- Operating free cash flow (“OpFCF”): by segment; and
- Net financial debt.

4.2.1. Revenues

Additional information on the revenue split is presented as follows:

- Residential revenue
    - Fixed: revenues from fixed services to B2C customers;
    - Mobile: revenues from mobile services to B2C subscribers;
    - Equipment business to B2C subscribers;
- Business services: revenues from B2B customers, wholesale and other revenues; and
- Media: media and advertisement revenues in Teads.

Intersegment revenues mainly relate to sales of products between operational segments of the Group and services rendered by certain centralized Group functions to the operational segments of the Group.

4.2.2. Non-GAAP measures

Adjusted EBITDA, Capex, OpFCF and Net Financial Debt are non-GAAP measures. These measures are useful to readers of the condensed interim consolidated financial statements as they provide a measure of operating results excluding certain items that the Group’s management believe are either outside of its recurring operating activities, or items that are non-cash. Excluding such items enables trends in the Group’s operating results and cash flow generation to be more easily observable. The non-GAAP measures are used by the Group internally to manage and assess the results of its operations, make decisions with respect to investments and allocation of resources, and assess the performance of management personnel. Such performance measures are also the de facto metrics used by investors and other members of the financial community to value other companies operating in the same industry as the Group and thus are a basis for comparability between the Group and its peers. Moreover, the debt covenants of the Group are based on the Adjusted EBITDA and other associated metrics. The definition of Adjusted EBITDA used in the covenants has not changed with the adoption of IFRS 15 *Revenue from Contracts with Customers* and IFRS 16 *Leases* by the Group.

4.2.2.1. Adjusted EBITDA

Following the application of IFRS 16 *Leases*, Adjusted EBITDA is defined as operating income before depreciation, amortization and impairment, other expenses and income (capital gains, non-recurring litigation, restructuring costs) and share-based expenses and after operating lease expenses (i.e., straight-line recognition of the rent expense over the lease term as performed under IAS 17 *Leases* for operating leases). This may not be comparable to similarly titled measures used by other entities. Further, this measure should not be considered as an alternative for operating income as the effects of depreciation, amortization and impairment, excluded from Adjusted EBITDA, do ultimately affect the operating results. Operating results presented in the condensed interim consolidated financial statements are in accordance with IAS 1 *Presentation of Financial Statements.*

4.2.2.2. Capex

Capex is an important indicator to follow, as the profile varies greatly between activities:

- The fixed business has fixed Capex requirements that are mainly discretionary (network, platforms, general), and variable Capex requirements related to the connection of new customers and the purchase of Customer Premise Equipment (TV decoder, modem, etc.).
- Mobile Capex is mainly driven by investment in new mobile sites, upgrade to new mobile technology and licenses to operate; once engaged and operational, there are limited further Capex requirements.
- Other Capex is mainly related to costs incurred in acquiring content rights.

4.2.2.3. Operating free cash flow

Operating free cash flow (“OpFCF”) is defined as Adjusted EBITDA less Capex. This may not be comparable to similarly titled measures used by other entities. Further, this measure should not be considered as an alternative for operating cash flow as presented in the consolidated statement of cash flows in accordance with IAS 7 *Statement of Cashflows*.

4.2.2.4. Net financial debt

Net financial debt is a non-GAAP measure which is useful to the readers of the condensed interim consolidated financial statements as it provides meaningful information regarding the financial position of Group and its ability to pay its financial debt obligations compared to its liquid assets. Please refer to notes 8.3 and 8.4.

4.3. Segment results

4.3.1. Operating profit by segment

For the three months ended March 31, 2022 (€m)	**Portugal**	**Israel**	**Dominican Republic**	**Teads**	**Others**	**Inter-segment elimination**	**Total**
Revenues	**612.5**	**287.7**	**135.4**	**117.9**	**0.5**	**(5.6)**	**1,148.4**
Purchasing and subcontracting costs	(174.8)	(100.6)	(26.5)	-	-	3.8	**(298.1)**
Other operating expenses	(97.9)	(61.0)	(22.4)	(60.9)	(1.0)	0.6	**(242.6)**
Staff costs and employee benefit expenses	(96.0)	(23.0)	(8.2)	(36.3)	-	0.1	**(163.4)**
Total	**243.8**	**103.1**	**78.3**	**20.7**	**(0.5)**	**(1.1)**	**444.3**
Share-based expense	-	-	-	-	-	-	-
Rental expense operating lease[1]	(21.8)	(8.9)	(7.6)	(1.4)	-	-	**(39.7)**
Adjusted EBITDA	**222.0**	**94.2**	**70.7**	**19.3**	**(0.5)**	**(1.1)**	**404.6**
Depreciation, amortisation and impairment	(176.7)	(88.8)	(32.9)	(6.6)	-	-	**(305.0)**
Share-based expense	-	-	-	-	-	-	-
Other expenses and income	46.5	(6.8)	0.1	(0.8)	(18.7)	-	**20.3**
Rental expense operating lease[1]	21.8	8.9	7.6	1.4	-	-	**39.7**
Operating profit / (loss)	**113.6**	**7.5**	**45.5**	**13.3**	**(19.2)**	**(1.1)**	**159.6**

For the three months ended March 31, 2021 (€m)	**Portugal**	**Israel**	**Dominican Republic**	**Teads**	**Others**	**Inter-segment elimination**	**Total**
Revenues	**549.1**	**247.2**	**117.9**	**102.5**	**0.2**	**(2.5)**	**1,014.5**
Purchasing and subcontracting costs	(161.6)	(94.1)	(27.9)	-	(0.1)	1.5	**(282.3)**
Other operating expenses	(84.2)	(47.4)	(18.4)	(46.5)	(0.6)	0.4	**(196.5)**
Staff costs and employee benefit expenses	(80.9)	(20.0)	(7.4)	(25.2)	(0.1)	0.0	**(133.4)**
Total	**222.4**	**85.8**	**64.2**	**30.8**	**(0.5)**	**(0.6)**	**402.3**
Share-based expense	0.4	0.3	0.3	-	-	-	**1.0**
Rental expense operating lease[1]	(18.5)	(6.9)	(5.2)	(1.5)	-	-	**(32.2)**
Adjusted EBITDA	**204.3**	**79.2**	**59.4**	**29.3**	**(0.5)**	**(0.6)**	**371.1**
Depreciation, amortisation and impairment	(182.2)	(81.5)	(32.0)	(6.4)	-	-	**(302.1)**
Share-based expense	(0.4)	(0.3)	(0.3)	-	-	-	**(1.0)**
Other expenses and income	(242.5)	(1.0)	(0.5)	0.1	(0.8)	0.1	**(244.7)**
Rental expense operating lease[1]	18.5	6.9	5.2	1.5	-	-	**32.2**
Operating profit / (loss)	**(202.3)**	**3.3**	**31.7**	**24.5**	**(1.3)**	**(0.5)**	**(144.5)**

1 This line corresponds to the operating lease expenses whose impacts are included in Adjusted EBITDA following the definition stated in note 4.2.2.1.

4.3.2. Other expenses and income

Other expenses and income mainly relate to provisions for ongoing and announced restructuring and other items (for example gains and losses on disposal of assets, deal fees on acquisitions of entities and provisions for litigations).

Details of costs incurred during the three-month periods ended March 31, 2022 and 2021 are provided in the following table:

Other expenses and income (€m)	**For the three months ended March 31, 2022**	**For the three months ended March 31, 2021**
Restructuring costs (including termination employee benefit costs)	(15.1)	241.4
Disputes and litigation	20.7	(2.4)
Net gain on sale of interest in assets and associates	(38.1)	0.4
Deal fees	0.7	-
Management fees	0.2	3.0
Other, net	11.3	2.4
Other expenses and (income)	**(20.3)**	**244.7**

4.3.2.1. Restructuring costs (including termination employee benefit costs)

For the three-month period ended March 31, 2022, actuarial gains of €15.5 million were recorded resulting from the remeasurement of the termination benefits liabilities in Portugal (increase in the discount rate).

For the three-month period ended March 31, 2021, restructuring costs (including termination employee benefit costs) of €241.1 million were recognised as part of the pre-retirement program launched in March 2021 in Portugal.

4.3.2.2. Disputes and litigation

For the three-month period ended March 31, 2022, this includes mainly the liability related to the settlement agreement between Cool Holding Ltd, H. Hadaros 2012 Ltd and the Israeli VAT authority in Israel (please refer to note 10.2).

4.3.2.3. Net gain on sale of interest in assets and associates

For the three-month period ended March 31, 2022, this includes mainly the capital gain related to the 2022 Portuguese tower transaction (please refer to note 3.1).

4.3.3. Reconciliation of profit / (loss) from continuing operations to Adjusted EBITDA

The tables below provide a reconciliation between of profit / (loss) from continuing operations to Adjusted EBITDA.

Reconciliation of profit / (loss) from continuing operations to Adjusted EBITDA (€m)	**For the three months ended March 31, 2022**	**For the three months ended March 31, 2021**
Profit / (loss) for the period from continuing operations	**135.6**	**(158.9)**
Income tax expense / (benefit)	38.9	(23.9)
Share of (gain) / loss of associates and joint ventures	4.1	5.4
Finance costs / (income), net	(19.0)	32.9
Operating profit / (loss)	**159.6**	**(144.5)**
Depreciation, amortization and impairment	305.0	302.1
Other expenses and (income)	(20.3)	244.7
Share-based expense	-	1.0
Rental expense operating lease	(39.7)	(32.2)
Adjusted EBITDA	**404.6**	**371.1**

4.3.4. Revenues by activity

The tables below provide the split of revenues by activity as defined in note 4.2.1.

For the three months ended March 31, 2022 (€m)	**Portugal**	**Israel**	**Dominican Republic**	**Teads**	**Others**	**Total**
Fixed	170.8	145.9	26.6	-	-	**343.3**
Mobile	118.1	60.2	77.0	-	-	**255.3**
Residential service	288.9	206.1	103.6	-	-	**598.6**
Residential equipment	25.0	23.5	8.1	-	-	**56.6**
Total Residential	313.9	229.6	111.7	-	-	**655.2**
Business services	298.6	58.1	23.7	-	0.5	**380.9**
Media	-	-	-	117.9	-	**117.9**
Total standalone revenues	**612.5**	**287.7**	**135.4**	**117.9**	**0.5**	**1,154.0**
Intersegment elimination	(5.4)	-	-	(0.2)	-	**(5.6)**
Total consolidated	**607.1**	**287.7**	**135.4**	**117.7**	**0.5**	**1,148.4**

For the three months ended March 31, 2021 (€m)	**Portugal**	**Israel**	**Dominican Republic**	**Teads**	**Others**	**Total**
Fixed	164.4	136.2	22.5	-	-	**323.1**
Mobile	115.1	51.4	65.4	-	-	**231.9**
Residential service	279.5	187.6	87.9	-	-	**555.0**
Residential equipment	26.2	20.3	8.9	-	-	**55.4**
Total Residential	305.7	207.9	96.8	-	-	**610.4**
Business services	243.4	39.3	21.1	-	0.2	**304.0**
Media	-	-	-	102.5	-	**102.5**
Total standalone revenues	**549.1**	**247.2**	**117.9**	**102.5**	**0.2**	**1,016.9**
Intersegment elimination	(2.1)	-	-	(0.4)	-	**(2.5)**
Total consolidated	**547.0**	**247.2**	**117.9**	**102.1**	**0.2**	**1,014.5**

The table below provides the standalone and consolidated revenues in accordance with IFRS 15 *Revenue from Contracts with Customers* for the three-month periods ended March 31, 2022 and 2021.

Revenues split IFRS 15 (€m)	**For the three months ended March 31, 2022**	**For the three months ended March 31, 2021**
Fixed residential	343.3	323.1
Mobile residential	255.3	231.9
Business services	349.3	270.7
Total telecom excluding equipment sales	**947.9**	**825.7**
Equipment sales	88.2	88.7
Media	117.9	102.5
Total standalone revenues	**1,154.0**	**1,016.9**
Intersegment elimination	(5.6)	(2.5)
Total consolidated	**1,148.4**	**1,014.5**

4.3.5. Capital expenditure

Capital expenditure is a key performance indicator tracked by the Group. The table below details the capital expenditure by segment and reconciles it to the payments to acquire capital items (tangible and intangible assets and contract costs) as presented in the consolidated statement of cash flows.

For the three months ended March 31, 2022 (€m)	**Portugal**	**Israel[1]**	**Dominican Republic**	**Teads**	**Others**	**Eliminations**	**Total**
Capital expenditure - accrued	102.9	131.0	28.0	2.5	-	(2.3)	262.1
Capital expenditure - working capital items	10.1	(47.3)	0.2	-	-	(0.4)	(37.4)
Payments to acquire tangible and intangible assets and contract costs	**113.0**	**83.7**	**28.2**	**2.5**	**-**	**(2.7)**	**224.7**

1. The capital expenditure - accrued for Israel includes an amount of €50.3 million related to the indefeasible right of use ("IRU") signed with IBC (please refer to note 3.2).

For the three months ended March 31, 2021 (€m)	Portugal	Israel	Dominican Republic	Teads	Others	Eliminations	Total
Capital expenditure - accrued	111.3	69.1	28.9	1.7	-	(0.5)	**210.5**
Capital expenditure - working capital items	2.8	1.5	(8.7)	-	-	(0.3)	**(4.7)**
Payments to acquire tangible and intangible assets and contract costs	**114.1**	**70.6**	**20.2**	**1.7**	**-**	**(0.8)**	**205.8**

4.3.6. Operating Free Cash Flow

For the three months ended March 31, 2022 (€m)	Portugal	Israel	Dominican Republic	Teads	Others	Eliminations	Total
Adjusted EBITDA	222.0	94.2	70.7	19.3	(0.5)	(1.1)	404.6
Capital expenditure - accrued	(102.9)	(131.0)	(28.0)	(2.5)	-	2.3	(262.1)
Operating free cash flow (OpFCF)	**119.1**	**(36.8)**	**42.7**	**16.8**	**(0.5)**	**1.2**	**142.5**

For the three months ended March 31, 2021 (€m)	Portugal	Israel	Dominican Republic	Teads	Others	Eliminations	Total
Adjusted EBITDA	204.3	79.2	59.4	29.3	(0.5)	(0.5)	**371.1**
Capital expenditure - accrued	(111.3)	(69.1)	(28.9)	(1.7)	-	0.5	**(210.5)**
Operating free cash flow (OpFCF)	**93.0**	**10.1**	**30.5**	**27.6**	**(0.5)**	**-**	**160.6**

5. Goodwill

Goodwill is tested at the level of each GCGU ("Group Cash-Generating Unit") annually for impairment and whenever changes in circumstances indicate that its carrying amount may not be recoverable. Goodwill was tested at the GCGU level for impairment as of December 31, 2021. The GCGU is at the country level where the subsidiaries operate. The recoverable amounts of the GCGUs are determined based on their value in use. The Group determined value in use for purposes of its impairment testing and, accordingly, did not determine the fair value less cost of disposal of the GCGUs. The key assumptions for the value in use calculations are primarily the pre-tax discount rates, the terminal growth rate, revenue, Adjusted EBITDA and capital expenditures. Following the application of IFRS 16 *Leases*, Adjusted EBITDA is defined as operating income before depreciation, amortization and impairment, other expenses and incomes (capital gains, non-recurring litigation, restructuring costs) and share-based expenses and after operating lease expenses (i.e., straight-line recognition of the rent expense over the lease term as performed under IAS 17 *Leases* for operating lease).

The Board of Managers and the Group's senior executives have determined that there have not been any changes in circumstances indicating that the carrying amount of goodwill may not be recoverable. In addition, there were no significant changes in assets or liabilities in any GCGU. Therefore, no updated impairment testing was performed, nor any impairment recorded, for the three-month period ended March 31, 2022.

6. Financial assets

Financial assets (€m)	As of March 31, 2022	As of December 31, 2021
Derivative financial assets	201.3	98.7
Loans and receivables	3,306.3	3,315.8
Call options with non-controlling interests	15.4	15.4
Equity instruments at fair value through OCI	9.7	9.2
Other financial assets	80.5	30.0
Total	**3,613.2**	**3,469.1**
Current	380.6	342.0
Non-current	3,232.6	3,127.1

6.1. Derivative financial assets

The Group has significant borrowings and executes derivative contracts to hedge its position in compliance with its treasury policy. All derivatives are measured at their fair value at March 31, 2022. The total asset position as of March 31, 2022 was €201.3 million (December 31, 2021: €98.7 million). Please also refer to note 8.2.3 for details on each of these derivatives held by the Group and to note 9 for information on the fair value of the derivatives, including the fair value hierarchy.

6.2. Loans and receivables

As of March 31, 2022, loans and receivables of the Group were €3,306.3 million. The loans and receivables of the Group as of March 31, 2022 mainly relates to loans, advances and facility agreements with Altice Luxembourg of €1,526.4 million, Altice Group Lux S.à r.l. of €788.0 million, Altice UK S.à r.l. of €581.4 million and Altice Corporate Financing S.à r.l. of €370.3 million.

6.3. Call options with non-controlling interests

Through the various acquisitions that the Group has completed in recent years, the Company signed agreements whereby it has a call option to acquire certain residual non-controlling interests in entities in which it has not acquired 100%. The call options are derivative financial instruments and are re-measured to their fair value at March 31, 2022. Please also refer to note 9.1.

6.4. Other financial assets

The increase in other financial assets is mainly related to an increase in accrued interest on loans receivable from €3.7 million as at December 31, 2021 to €53.3 million as at March 31, 2022 as the accrued interest is paid or capitalised mainly annually at the end of the financial year.

7. Shareholders' equity

Equity attributable to owners of the Company (€m)	**Notes**	**As of March 31, 2022**	**As of December 31, 2021**
Issued capital	7.1	309.3	309.3
Other reserves	7.2	(193.6)	(236.4)
Retained earnings		679.7	555.0
Total		**795.4**	**627.9**

7.1. Issued capital

For the three-month period ended March 31, 2022, there were no changes in the issued capital of the Company. Total issued capital of the Company as at March 31, 2022 was €309.3 million, comprising 30,925,700,000 outstanding ordinary shares, with a nominal value of €0.01 each.

7.2. Other reserves

The tax effects of the Group's currency, fair value through OCI and employee benefits reserves are provided below.

Other reserves	**March 31, 2022**			**December 31, 2021**		
(€m)	**Pre-tax amount**	**Tax effect**	**Net amount**	**Pre-tax amount**	**Tax effect**	**Net amount**
Actuarial gains and losses	(88.4)	18.3	(70.1)	(137.7)	28.8	(108.9)
Items not reclassified to profit or loss	**(88.4)**	**18.3**	**(70.1)**	**(137.7)**	**28.8**	**(108.9)**
Fair value through OCI	5.8	-	5.8	5.5	-	5.5
Currency translation reserve	(129.3)	-	(129.3)	(133.0)	-	(133.0)
Items potentially reclassified to profit or loss	**(123.5)**	**-**	**(123.5)**	**(127.5)**	**-**	**(127.5)**
Total	**(211.9)**	**18.3**	**(193.6)**	**(265.2)**	**28.8**	**(236.4)**

8. Borrowings, other financial liabilities and lease liabilities

Borrowings, other financial liabilities and lease liabilities (€m)	Notes	March 31, 2022	December 31, 2021
Long term borrowings, financial liabilities and related hedging instruments		**8,058.5**	**7,969.2**
- Debentures	8.1	*6,084.7*	*6,005.3*
- Loans from lenders	8.1	*1,821.7*	*1,784.9*
- Derivative financial instruments	8.3	*152.1*	*179.0*
Other non-current financial liabilities	8.6	**976.1**	**971.2**
Lease liabilities non-current	8.6	**993.2**	**949.2**
Non-current liabilities		**10,027.8**	**9,889.6**
Short term borrowing, financial liabilities and related hedging instruments		**230.5**	**292.6**
- Debentures	8.1	-	-
- Loans from lenders	8.1	*209.3*	*263.9*
- Derivative financial instruments	8.3	*21.2*	*28.7*
Other financial liabilities	8.6	**524.5**	**552.8**
- Other financial liabilities		*429.7*	*404.3*
- Bank overdraft		*7.3*	*10.9*
- Accrued interest		*87.5*	*137.6*
Lease liabilities current	8.6	**102.9**	**94.3**
Current liabilities		**857.9**	**939.7**
Total		**10,885.7**	**10,829.3**

8.1. Debentures and loans from lenders

Debentures and loans from lenders (€m)	Notes	March 31, 2022	December 31, 2021
Debentures	8.1.1	6,084.7	6,005.3
Loans from lenders	8.1.2	2,031.0	2,048.8
Total		**8,115.7**	**8,054.1**

8.1.1. Debentures

Maturity of debentures (€m)	Less than one year	One year or more	March 31, 2022	December 31, 2021
Altice Financing	-	5,411.0	5,411.0	5,331.6
Altice Finco	-	673.7	673.7	673.7
Total	**-**	**6,084.7**	**6,084.7**	**6,005.3**

The table below provides details of all debentures.

Instrument	Issuer	Face value	Coupon	Year of maturity	March 31, 2022		December 31, 2021	
(€m, unless stated otherwise)		in millions			Fair value[1]	Carrying amount	Fair value[1]	Carrying amount
Senior secured notes	Altice Financing	€600	2.25%	2025	572.6	600.0	585.4	600.0
Senior secured notes	Altice Financing	$1,200	5.00%	2028	972.0	1,083.0	1,025.0	1,054.0
Senior secured notes	Altice Financing	€1,100	3.00%	2028	971.5	1,100.0	1,041.2	1,100.0
Senior secured notes	Altice Financing	$2,050	5.75%	2029	1,682.6	1,849.6	1,781.2	1,800.4
Senior secured notes	Altice Financing	€805	4.25%	2029	718.8	805.0	787.2	805.0
Senior unsecured notes	Altice Finco	€675	4.75%	2028	592.3	675.0	641.3	675.0
Transaction costs						*(27.9)*		*(29.0)*
Total value of bonds					**5,509.8**	**6,084.7**	**5,861.3**	**6,005.3**
Of which due within one year					-	-	-	-
Of which due after one year					*5,509.8*	*6,084.7*	*5,861.3*	*6,005.3*

1. Fair value is based on quoted prices (Level 1).

8.1.2. Loans from lenders

Maturity of loans from lenders (€m)	Less than one year	One year or more	March 31, 2022	December 31, 2021
Altice Financing (including RCF)	209.3	1,821.7	2,031.0	2,048.8
Total	**209.3**	**1,821.7**	**2,031.0**	**2,048.8**

The table below provides details of all term loans and revolving credit facilities.

Instrument	Borrower	Currency	Margin	Year of maturity	March 31, 2022		December 31, 2021	
					Face value	Carrying amount	Face value	Carrying amount
(million, unless stated otherwise)					**(EUR) / (USD)**	**(EUR)**	**(EUR) / (USD)**	**(EUR)**
Term loan	Altice Financing	USD	LIBOR+2.75%	2026	861.8	777.6	864.0	758.9
Term loan	Altice Financing	USD	LIBOR+2.75%	2025	866.8	782.1	869.1	763.2
Term loan	Altice Financing	EUR	EURIBOR+2.75%	2026	287.3	287.3	288.0	288.0
RCF	Altice Financing	EUR	EURIBOR+3.00%	2025	190.0	190.0	245.0	245.0
Transaction costs						*(6.0)*		*(6.3)*
Total value of loans						**2,031.0**		**2,048.8**
Of which due within one year						*209.3*		*263.9*
Of which due after one year						*1,821.7*		*1,784.9*

8.2. Financing activities

8.2.1. Financing activities during the three-month period ended March 31, 2022

During the first quarter of 2022, the Group repaid €55.0 million of the Altice Financing Revolving Credit (drawdown of €85.0 million and repayment of €140.0 million). A total of €190 million remained drawn as of March 31, 2022 (please refer to note 8.5).

8.2.2. Financing activities during the three-month period ended March 31, 2021

During the first quarter of 2021, the Group drew down €125.0 million of the Altice Financing Revolving Credit Facility and repaid €125.0 million of the Altice Financing Revolving Credit Facility.

8.2.3. Derivatives

As part of its financial risk management strategy, the Group uses derivative contracts to manage its risks. The main instruments used are fixed to fixed or fixed to floating cross-currency and interest rate swaps ("CCIRS") that cover against foreign currency and interest rate risk related to the Group's debt obligations.
The derivatives are all measured at fair value. The change in fair value is recognised immediately in profit or loss ("FVTPL"), as from 2019, the Group does not apply hedge accounting to the new CCIRS.

8.2.3.1. CCIRS

The following table provides a summary of the Group's CCIRS.

Entity Maturity	**Notional amount due from counterparty (millions)**	**Notional amount due to counterparty (millions)**	**Interest rate due from counterparty**	**Interest rate due to counterparty**
Altice Financing S.A.				
May 2026	USD 1,012	EUR 884	10.5%/LIBOR+4.25%	7.9%/EURIBOR+3.3%
July 2025	USD 485	EUR 449	3m LIBOR+2.75%	3m EURIBOR+2.73%
May 2026	USD 350	EUR 306	7.5%/LIBOR+0%	5.25%/EURIBOR -0.1%
May 2026	EUR 1,190	USD 1,362	7.9%	10.5%
January 2028	USD 1,200	EUR 1,079	5.0%	3.0%
March 2029	USD 1,925	EUR 1,730	5.8%	4.7%
August 2029	USD 125	EUR 107	5.8%	4.3%

8.2.3.2. Interest rate swaps

The Group enters into interest rate swaps to cover its interest rate exposure in line with its treasury policy. These swaps cover the Group's debt portfolio and do not necessarily relate to specific debt issued by the Group.

The details of the instruments are provided in the following table.

Entity Maturity	**Notional amount due from counterparty (millions)**	**Notional amount due to counterparty (millions)**	**Interest rate due from counterparty**	**Interest rate due to counterparty**	**Accounting treatment**
Altice Financing S.A.					
January 2030	EUR 750	EUR 750	3m EURIBOR	(0.4%)	FVTPL

8.3. Reconciliation to swap adjusted debt

The various hedge transactions mitigate interest and foreign exchange risks on the debt instruments issued by the Group. Such instruments cover both the principal and the interest due. A reconciliation from the carrying amount of the debt as per the statement of financial position and the amount due of the debt, considering the effect of the hedge operations (i.e., the “swap adjusted debt”), and a reconciliation to net debt is provided below:

Net debt reconciliation (€m)	**March 31, 2022**	**December 31, 2021**
Debentures and loans from lenders	**8,115.7**	**8,054.1**
Transaction costs	33.9	35.3
Total (including transaction costs)	**8,149.6**	**8,089.4**
Conversion of debentures and loans in foreign currency (at closing spot rate)	(6,538.9)	(6,416.1)
Conversion of debentures and loans in foreign currency (at hedged rates)	6,533.3	6,500.5
Total swap adjusted debt	**8,144.0**	**8,173.8**
Finance lease liabilities and other debt	9.1	14.4
Gross debt	**8,153.1**	**8,188.2**
Cash and cash equivalents	(365.7)	(285.2)
Restricted cash	(43.5)	(41.7)
Net financial debt	**7,743.9**	**7,861.3**

Net financial debt is a non-GAAP measure as defined in note 4.2.3.

8.4. Reconciliation between net financial liabilities and net financial debt

The following table shows the reconciliation between net financial liabilities in the consolidated statement of financial position and the net financial debt.

Reconciliation between net financial liabilities and net financial debt (€m)	**March 31, 2022**	**December 31, 2021**
Financial liabilities	10,885.7	10,829.3
Derivative assets	(201.3)	(98.7)
Cash and cash equivalents	(365.7)	(285.2)
Restricted cash	(43.5)	(41.7)
Net financial liabilities - consolidated statement of financial position	**10,275.2**	**10,403.7**
Reconciliation:		
Transaction costs	33.9	35.3
Rate impact derivative instruments	22.4	(24.6)
Lease liabilities excluding financial leases	(1,094.3)	(1,040.5)
Reverse factoring and securitization	(325.6)	(302.0)
Accrued interest	(87.5)	(137.6)
Mandatory Convertible Notes Portugal	(877.8)	(877.8)
Mandatory Convertible Notes Altice Luxembourg	(184.3)	(182.1)
Put options with non-controlling interests	(2.6)	(2.6)
Deposits received	(0.4)	(0.4)
Other debt and liabilities	(15.1)	(10.1)
Net financial debt	**7,743.9**	**7,861.3**

8.5. Available credit facilities

Available credit facilities (€m)	**Total facility**	**Drawn**
Altice Financing S.A.	393.2	190.0
Revolving credit facilities	**393.2**	**190.0**

8.6. Other financial liabilities and lease liabilities

Other financial liabilities	**March 31, 2022**			**December 31, 2021**		
(€m)	**Current**	**Non-current**	**Total**	**Current**	**Non-current**	**Total**
Lease liabilities	102.9	993.2	1,096.1	94.3	949.2	1043.5
Reverse factoring	325.6	-	325.6	302.0	-	302.0
Accrued interest	87.5	-	87.5	137.6	-	137.6
Put options with non-controlling interests	2.6	-	2.6	2.6	-	2.6
Deposits received	-	0.4	0.4	-	0.4	0.4
Bank overdraft	7.3	-	7.3	10.9	-	10.9
Mandatory Convertible Notes Altice Portugal	-	877.8	877.8	-	877.8	877.8
Mandatory Convertible Notes Altice Luxembourg	94.3	90.0	184.3	93.1	89.0	182.1
Other debt and liabilities	7.2	7.9	15.1	6.6	4.0	10.6
Total	**627.4**	**1,969.3**	**2,596.7**	**647.1**	**1,920.4**	**2,567.5**

The current portion of other financial liabilities amounts to €627.4 million as at March 31, 2022, a decrease of €19.7 million compared to December 31, 2021. The non-current portion of other financial liabilities amounts to €1,969.3 million as at March 31, 2022, an increase of €48.9 million compared to December 31, 2021. Details of the main items within the caption, and the movements from the prior period, are detailed below.

8.6.1. Lease liabilities

Leases relate to the current and non-current lease liabilities recorded in accordance with IFRS 16 *Leases*. The increase in lease liabilities during the first quarter of 2022 reflects mainly the Master Service Agreement (MSA) entered into as part of the sale of towers in Portugal (please refer to note 3.1).

8.6.2. Reverse factoring

Through the use of reverse factoring structures, the Group extends its payment terms up to 360 days, reducing its requirements for working capital. The contractual arrangements in place permit the supplier to obtain the amounts invoiced at agreed payment terms with the amounts paid by the banks that participate in the reverse factoring structure. The Group will repay the banks the full invoice amount, with interest, on the scheduled payment date as required by the reverse factoring agreement. Based on the scheduled payment dates, the amounts payable under this arrangement are accounted for as current liabilities. As the amounts are payable to the participating banks, the amounts have been presented under Other financial liabilities. In the consolidated statement of cash flows, the operational cash flows related to reverse factoring are presented under Changes in working capital or Payments to acquire tangible and intangible assets and contract costs depending on the nature of the expenditure. In addition, the financing cash flows are presented under Proceeds related to payments made to suppliers through factoring arrangements and Payments made to factoring companies. The increase in reverse factoring liability as of March 31, 2022 compared to December 31, 2021 is mainly due to the timing of payments.

8.6.3. Accrued interest

Accrued interest is the amount of interest due at the reporting date regarding the Company’s outstanding debentures and loans from financial institutions. The decrease in accrued interest as of March 31, 2022 is the consequence of coupon timing, as for Altice Financing and Altice Finco, the main interest payments are due in the first and third quarters of the year.

8.6.4. Put options with non-controlling interests

The Group executes agreements with the non-controlling interests in certain acquisitions whereby the non-controlling interests have the option to sell their non-controlling interests to the Group. These instruments are measured at their fair value at the reporting date.

8.6.5. Mandatory Convertible Notes Portugal

On April 17, 2020, PT Portugal and Morgan Stanley Infrastructure Partners entered into a subscription agreement regarding the issuance and subscription to €1,600.0 million of mandatory convertible notes in which the parties subscribed considering the percentage of interest in equity of FastFiber. The amount of €877.8 million relates to the financial liability of the Group towards Morgan Stanley Infrastructure Partners, consisting of the notional amount of €799.8 million, an additional contribution of €29.0 million in 2021 and an additional subscription of €49.0 million in 2020. The notes bear interest on their aggregate principal amount at the fixed rate of 6.00% per annum. Interest is due in May and November of each year. At any time on or after the date that is twenty years after the date of issue, all or part of the notes issued can be converted into shares with mutual consent. The principal of the convertible notes does not have a stated maturity and will never become payable in cash.

8.6.6. Mandatory Convertible Notes Altice Luxembourg

The Mandatory Convertible Notes ("MCN") were issued for an aggregate amount of €2,055 million, which were entirely subscribed by the Company's sole shareholder, Altice Luxembourg. These instruments are compound financial instruments that contain both a liability and an equity component. On December 30, 2020, the existing agreement was amended with a revised maturity date of December 31, 2023 and an interest rate which is based on the annual interest rate accrued on the Company's Senior Debt. The non-current portion of the MCN liability recorded at December 31, 2021 and March 31, 2022 are €89.0 million and €90.0 million respectively. The current portion of the MCN liability recorded at December 31, 2021 and March 31, 2022 are €93.1 million and €94.3 million respectively.

9. Fair value of financial assets and liabilities

The table below shows the carrying value compared to fair value of financial assets and liabilities:

Fair values of financial assets and liabilities	**March 31, 2022**		**December 31, 2021**	
(€m)	**Carrying value**	**Fair value**	**Carrying value**	**Fair value**
Cash and cash equivalents	365.7	365.7	285.2	285.2
Restricted cash	43.5	43.5	41.7	41.7
Derivatives	7.6	7.6	19.7	19.7
Call options on non-controlling interests	15.4	15.4	15.4	15.4
Loans and receivables with group companies	302.9	302.9	302.7	302.7
Other financial assets	54.7	54.7	4.2	4.2
Current financial assets	**789.8**	**789.8**	**668.9**	**668.9**
Derivatives	193.7	193.7	79.0	79.0
Equity instruments at fair value through OCI	9.7	9.7	9.2	9.2
Loans and receivables with group companies	3,003.4	3,247.3	3,013.1	3,272.5
Other financial assets	25.8	25.8	25.8	25.8
Non-current financial assets	**3,232.6**	**3,476.5**	**3,127.1**	**3,386.5**
Short term borrowings and financial liabilities	209.3	209.3	263.9	263.9
Derivatives	21.2	21.2	28.7	28.7
Lease liabilities	102.9	102.9	94.3	94.3
Reverse factoring	325.6	325.6	302.0	302.0
Accrued interest	87.5	87.5	137.6	137.6
Put options with non-controlling interests	2.6	2.6	2.6	2.6
Mandatory Convertible Notes Altice Luxembourg	94.3	94.3	93.1	93.1
Other financial liabilities	14.5	14.5	17.4	17.4
Current financial liabilities	**857.9**	**857.9**	**939.7**	**939.7**
Long term borrowings and financial liabilities	7,906.4	7,454.2	7,790.2	7,856.0
Derivatives	152.1	152.1	179.0	179.0
Lease liabilities	993.2	993.2	949.2	949.2
Mandatory Convertible Notes Portugal	877.8	877.8	877.8	877.8
Mandatory Convertible Notes Altice Luxembourg	90.0	90.0	89.0	89.0
Other financial liabilities	8.3	8.3	4.4	4.4
Non-current financial liabilities	**10,027.8**	**9,575.6**	**9,889.6**	**9,955.4**

During the three-month period ended March 31, 2022, there were no transfers of financial assets or liabilities between levels of the fair value hierarchy. There are no non-recurring fair value measurements. The table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

9.1. Fair value hierarchy

The following table provides information about the fair values of the Group's financial assets and liabilities and which level in the fair value hierarchy they are classified.

Fair value measurement (€m)	Fair value hierarchy	Valuation technique	March 31, 2022	December 31, 2021
Financial Liabilities				
Derivative financial instruments	Level 2	Discounted cash flows	173.3	207.7
Minority Put Option - Intelcia Portugal Inshore	Level 3	Discounted cash flows	2.6	2.6
Financial Assets				
Derivative financial instruments	Level 2	Discounted cash flows	201.3	98.7
Minority Call option - Intelcia Portugal Inshore	Level 3	Black and Scholes model	15.4	15.4
Equity instruments at FVOCI - Partner Co. Ltd.	Level 1	Quoted share price	9.7	9.2

9.2. Information on valuation techniques

9.2.1. Investments in listed entities

Quoted prices directly available from an active market are used to source the fair value, i.e. the quoted share price of the listed investments in Partner Co. These valuations are directly observable in an open market and therefore the Group has concluded that these instruments should be classified within Level 1 of the fair value hierarchy.

9.2.2. Derivative financial instruments

Future cash flows are estimated using market observable data at the end of the reporting period (namely, forward exchange rates and interest rates) and the contracted rates of the derivative discounted at a rate that reflects the counterparty credit risk. Since model inputs can generally be verified and do not involve significant management judgement, the Company has concluded that these instruments should be classified within Level 2 of the fair value hierarchy.

9.2.3. Put options

Each contract has specific terms and conditions, and the valuation is performed using the contracted terms and assessment against market comparable information where appropriate. For example, the exercise price in the option may be determined based on an EBITDA multiple minus the net financial debt. In all instances, the probabilities of the option being exercised is determined using management's best estimate and judgement. The resulting fair value is discounted using appropriate discount rates of the related funding pool. These models use a variety of inputs that use judgements not able to be verified externally, therefore the Group has concluded that these instruments should be classified within Level 3 of the fair value hierarchy.

9.2.4. Call options

The valuation is derived by calculating the intrinsic value, being the difference in the value of the underlying asset and the options exercise price, and time value of the option, which accounts for the passage of time until the option expires. Various inputs are used, including the price of the underlying asset and its volatility, the strike price and maturity in the contract, and the risk-free rate and dividend yield. The model calculates the possible prices of the underlying asset and their respective probability of occurrence, given these inputs. These models use a variety of inputs that use judgements not able to be verified externally, therefore the Group has concluded that these instruments should be classified within Level 3 of the fair value hierarchy.

10. Taxation

10.1. Effective tax rate

Tax expense (€m)	Three months ended March 31, 2022	Three months ended March 31, 2021
Profit / (loss) before income tax and share of earnings of associates and joint ventures	178.6	(177.4)
Income tax benefit / (expense)	(38.9)	23.9
Effective tax rate	**22%**	**13%**

The Group is required to use an estimated annual effective tax rate to measure the income tax benefit or expense recognised in an interim period. The statutory tax rate in Luxembourg is 25%.

The Group recorded a tax expense of €38.9 million for the three-month period ended March 31, 2022, reflecting an effective tax rate of 22% compared to an income tax benefit of €23.9 million for the three-month period ended March 31, 2021, reflecting an effective tax rate of 13%. The use of tax losses unrecognised as deferred tax assets had the effect of lowering the Group's effective tax rate for the three-month period ended March 31, 2022. For the three-month period ended March 31, 2021, the non-deductible financial expenses and other permanent differences had the effect of lowering the Group's effective tax rate.

10.2. Income tax litigation

There was no significant development in existing tax litigations since the publication of the annual consolidated financial statements that have had, or that may have, a significant effect on the financial position of the Group, except the following:

Israel

In the context of the VAT audit conducted by the Israeli VAT authority for the tax years 2013-2019, Cool Holding Ltd and H. Hadaros 2012 Ltd received on April 29, 2021, a VAT assessment notice related to accrued interest on intercompany bonds issued by Cool Holding Ltd and H. Hadaros 2012 Ltd to Altice Financing S.A., for which the VAT authorities claimed VAT tax liability on such accrued interest. On May 8, 2022, Cool Holding Ltd and H. Hadaros 2012 Ltd have entered into a settlement agreement with the Israeli VAT authority to settle such dispute for the tax years 2013-2021. As a result, a liability was recorded as of March 31, 2022 to cover the amount of the settlement (please refer to note 4.3.2.2).

11. Finance costs, net

Finance costs, net (€m)	**Three months ended March 31, 2022**	**Three months ended March 31, 2021**
Interest relative to gross financial debt	**(92.7)**	**(90.0)**
Realized and unrealized (losses) / gains on derivative instruments linked to financial debt	**155.9**	**127.3**
Interest on lease liabilities	(18.5)	(17.6)
Net foreign exchange losses	-	-
Impairment of available for sale financial assets	(4.3)	-
Other	(26.2)	(23.2)
Net foreign exchange losses	(43.1)	(76.9)
Other financial expenses	**(92.1)**	**(117.7)**
Interest income	46.3	40.4
Other financial income	1.6	7.1
Finance income	**47.9**	**47.5**
Net result on extinguishment and remeasurement of financial liabilities	-	-
Net finance income / (costs)	**19.0**	**(32.9)**

The finance income, net for the three-month period ended March 31, 2022 was €19.0 million compared to net cost of €32.9 million for the same period in 2021. The change was mainly attributed to:

- higher realized and unrealized gains on derivative instruments of €155.9 million compared to gains of €127.3 million for the same period in 2021, due to higher positive variation in the mark to market of the swaps of Altice Financing;
- lower net foreign exchange losses of €43.1 million compared to losses of €76.9 million for the same period in 2021, mainly due to the foreign exchange effect on long term debt of the Dominican Republic and Altice Financing.

12. Contractual obligations and commercial commitments

During the three-month period ended March 31, 2022, no significant contractual obligations and commercial commitments have been signed as compared to the year ended December 31, 2021.

13. Litigation

In the normal course of its activities, the Group is accused in a certain number of governmental, arbitration and administrative lawsuits. Provisions are recognised by the Group when management believes that it is more likely than not that such lawsuits will result in an amount to be settled by the Group, and the magnitude of the amount can be reliably estimated. The magnitude of the provisions recognised is based on the best estimate of the level of the expenditure required to settle the obligation, on a case-by-case basis, considering that the occurrence of events during the legal action involves constant re-estimation of the risk.

During the three-month period ended March 31, 2022, there was no significant new proceedings or developments in existing litigations that have occurred since the publication of the annual consolidated financial statements as of December 31, 2021 and that have had or that may have a significant effect on the financial position of the Group.

14. Events after the reporting period

There was no event subsequent to the balance sheet date that had an impact on these condensed interim consolidated financial statements.